



Market volatility having little impact on trustee investment decisions

By Liam Egan

NEARLY 50 per cent of self-managed super fund (SMSF) investors are using a financial planner or 'specialist superannuation adviser' to help them with their investment decisions, according to new research from AMP Capital Investors and researcher Investment Trends.

The AMP Capital Investors/Investment Trends SMSF Investor Report 2008 also found that 19 per cent of respondents wanted more assistance with investment decisions, and 55 per cent wanted more assistance with running their fund.

Based on survey responses from 2,500 SMSF trustees during May and July this year, the report also found two-thirds (66 per cent) of SMSF trustees have not changed their long-term investment plans as a result of the ongoing market volatility,

Further, it found that 25 per cent of SMSF investors saw current market conditions as an opportunity to buy 'undervalued shares'.



In addition, it found that 46 per cent of SMSFs had not sold their assets after incurring paper losses as a result of this year's volatility.

Only 8 per cent of respondents said they had experienced realised significant losses on their SMSF, and only 1 per cent said they had to delay their

retirement because of the losses incurred on their fund.

Only 7 per cent said they had invested significant new money into shares that had gone down.

SMSF trustees were also found to be still holding almost \$11 billion in cash 'left over' from last year's Better Super inflows.

A total of 57 per cent still had recent contributions (past 12 months) held in cash because they hadn't yet had time to choose investments, coupled with the subsequent market volatility.

"Clearly, there are a lot of SMSF investors who are waiting for market conditions to stabilise before investing their excess cash, but it's significant to note that two-thirds intend to keep their long-term investment plans untouched," AMP Capital Investors business director of client product and marketing Brian Delaney said.

"And by getting the right advice when establishing a long-term strategy, investors are much more likely to stick with that plan through volatile market conditions," he said.